Supporting PMR Countries
In Identifying Policy Options for Achieving Mid and Long-term Mitigation Objectives

Ms. Xueman Wang
PMR Secretariat

Ninth Meeting of the Partnership Assembly
Cologne, Germany
May 25-27, 2014
PMR Note PA8 2014-2: Upstream policy analytical work to support PMR Implementing Countries

**RATIONALE:**

- Setting a mitigation trajectory and identifying a package of efficient and effective policy instruments go hand-in-hand;
- In preparing mid- and long-term scenarios, it is important to analyze potential roles of carbon pricing or market-based approaches;
- Providing technical input to the ongoing countries’ preparation for “nationally determined contributions.”

PMR Participants were invited to provide comments on the proposed work stream

- Comments received from Germany, Denmark, Spain and Switzerland

Implementing Countries were invited to submit expression of interest (EoI) in receiving policy analytical support

- EoIs received from 11 countries
Eols from Implementing Countries

Brazil, Chile, China, Colombia, Costa Rica, Jordan, Mexico, Peru, Thailand, Tunisia and Vietnam

Coherent yet somewhat diverse demand ...

...Scope of analytical support:

1) Assessing policy options and identifying effective and cost-efficient instruments for post 2020 mitigation scenarios

2) Supporting development and design of a specific instrument in response to recent domestic policy developments (E.g. Carbon tax for Chile, Emissions trading for energy sector in Mexico)

3) Providing technical input to ongoing country preparation for “nationally determined contributions” (NDCs)
   - A number of countries welcome analytical and technical input to their NDC preparation
   - Urgency of the work in order to be relevant and timely for 2015 agreement
Approach to Providing Policy Support

Countries that are at the early stage of MRP Preparation: Analytical work to be folded into building block 2 of the MRP

Countries that are advanced in their MRP preparation and implementation: Analytical work to be carried out as additional work stream

◆ Approach for individual countries would differ based on the scope of requested support and existing analytical and knowledge base

◆ The PMR Secretariat/World Bank staff will consult with the relevant government to determine actual scope of the work, resources needed and time frame for delivery:

- Taking into account the existing studies to avoid duplication of efforts
- Adopting a sequenced or phased approach
- Developing common methodology (including modeling) to ensure consistency and comparability
Action by PA

◆ The PMR Secretariat seeks the PA’s endorsement to allocate US$5million for FY15 from existing trust fund to provide complementary support for policy analysis.

◆ The funding will be used to support:
  ▪ Country-level analytical work
  ▪ Development of common methodology and framework
  ▪ International and national technical meetings and workshops
  ▪ World Bank staff time

◆ The PMR Secretariat will regularly update PA on the status of work.
FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS (PMR), PLEASE CONTACT:

PMR SECRETARIAT
PMRSECRETARIAT@WORLDBANK.ORG

WWW.WBCARBONFINANCE.ORG/PMR